

Issue of S\$300,000,000 Fixed Rate Notes Due 2012

The Directors of Fraser and Neave, Limited (the " Company ") are pleased to announce that its wholly-owned subsidiary, F&N Treasury Pte. Ltd. (" F&N Treasury "), has issued a first series, comprising S\$300,000,000 in principal amount of Fixed Rate Notes (the " Series 1 Notes ") pursuant to its S\$2,000,000,000 Multicurrency Medium Term Note Programme established on 7 May 2007.

The lead managers for the Series 1 Notes are DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Oversea-Chinese Banking Corporation Limited and Standard Chartered Bank. The Series 1 Notes are issued in bearer form and in denominations of S\$250,000 each. Unless previously redeemed, purchased and/or cancelled, the Series 1 Notes shall mature on 11 June 2012. The interest rate for the Series 1 Notes is fixed at 3.405% per annum payable semi-annually in arrears. The Series 1 Notes are guaranteed by the Company.

The net proceeds from the issue of the Series 1 Notes will be used for funding the working capital and capital expenditure requirements and refinancing indebtedness of the Company's subsidiaries.

Approval in-principle has been obtained for the listing of the Series 1 Notes on the Official List of the Singapore Exchange Securities Trading Limited. Such approval in-principle is not to be taken as an indication of the merits of F&N Treasury, the Company or the Series 1 Notes.

Anthony Cheong
Group Company Secretary

11 June 2007